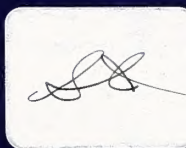


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United States  
Department of  
Agriculture

Office of  
the Secretary

Office of  
Finance and  
Management

# Secretary's Management Report

October 1, 1992-March 31, 1993

Volume 8  
Management Actions  
Taken on Audit Recommendations  
P.L. 100-504





DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

June 4, 1993

MESSAGE FROM THE SECRETARY

This Department has long taken a leadership role in agriculture, rural development, conservation, international trade, environment, food safety, biotechnology, forestry, and nutrition. Shortly after being sworn in as Secretary, I announced my intention to begin the process of building a "Team USDA" dedicated to change and to the public it serves. As part of this Administration's goal to reduce the deficit, we want to eliminate duplication and find economies of scale to deliver the programs administered by the Department.

We need to send the message to the American people and the Congress that the goal of USDA is to provide better services to the public. All Agencies working together as a team will help to effect this goal and bring this Department back to the people.

As part of this effort, audit recommendations and appropriate follow-up must be considered as an important management tool to ensure effective oversight and stewardship for the delivery of our programs and for meeting the needs of the people who use those programs. I want to make this Department farmer friendly, consumer friendly, and just plain citizen friendly. In this regard, "Team USDA" continuously monitors and implements audit recommendations to ensure the financial integrity and effective delivery of our programs.

A handwritten signature in dark ink, appearing to read "Mike Espy", written in a cursive style.

MIKE ESPY  
Secretary



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## AGENCY ABBREVIATIONS

AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ASCS	Agricultural Stabilization and Conservation Service
CCC	Commodity Credit Corporation
CSRS	Cooperative State Research Service
ES	Extension Service
FAS	Foreign Agricultural Service
FmHA	Farmers Home Administration
FCIC	Federal Crop Insurance Service
FNS	Food and Nutrition Service
FS	Forest Service
FSIS	Food Safety and Inspection Service
NASS	National Agricultural Statistics Service
OFM	Office of Finance and Management
OIG	Office of Inspector General
OGC	Office of the General Counsel
OICD	Office of International Cooperation and Development
OO	Office of Operations
OIRM	Office of Information Resources Management
RDA	Rural Development Administration
SCS	Soil Conservation Service





## EXECUTIVE SUMMARY

The Secretary's Management Report to the Congress is required by the Inspector General Act Amendments of 1988. The Amendments require that the Secretary report directly to the Congress on the status of management decisions and final action taken on audit recommendations. This is the eighth report issued by the United States Department of Agriculture (USDA) and covers the 6-month period October 1, 1992, through March 31, 1993. The report reflects management's implementation of recommendations contained in audit reports issued by USDA's Office of Inspector General (OIG) and explains why action on an audit remains incomplete 1 year from the management decision date. It complements the OIG Semiannual Report to Congress which includes data on audit reports issued and the status of management decisions made during this 6-month period.

Over the past 6 months, the Office of Finance and Management monitored and analyzed 467 audits with 3,271 recommendations of which 1,980 are complete. Of the 467 audits, 333 are from prior reporting periods and contain 2,536 recommendations. These audits contain approximately \$175 million in costs (disallowed) that management determined should not be charged to the Department's programs and approximately \$2.5 billion in funds which management agreed could be used more efficiently (funds to be put to better use).

Action is complete on 182 audit reports with 931 recommendations. As a result, over \$4.4 million was recovered in disallowed costs and approximately \$42.5 million was written off in funds that management determined to be uncollectible due to bankruptcies, excessive cost of collections, legal decisions, or terminations in program participation. Additionally, management completed action on \$15.8 million in disallowed costs as a result of final action taken on 122 individual audit recommendations.

Management implemented action on over \$22.6 million in funds they determined could be used more efficiently and determined that approximately \$846.1 million could not be used more efficiently due to statutory or other mandatory requirements. As a result of final action taken on 39 individual audit recommendations, management also implemented over \$238.8 million they determined could be used more efficiently and determined that an additional \$14.1 million could not be used efficiently.

As of March 31, 1993, 285 audits containing 2,340 recommendations are without final action. These audits contain over \$127.5 million in disallowed costs and over \$1.6 billion which management agreed could be put to better use. Of the 285 audits, 123 do not have final action on the entire audit 1 year from the management decision date. Explanations for these audits are contained in Appendix 1 to this report. Many of the

management decisions to effect corrective action on these audits involve development of long-term automated system changes, formal regulations and directives, legal implications, actions by non-USDA agencies, and time-consuming collection processes. Of these 123 audits, management took action on 769 recommendations containing approximately \$36.0 million in disallowed costs and approximately \$251.3 million in funds to be put to better use.

There are 12 audits containing 103 recommendations either under appeal or requiring a legislative solution to effect final action. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on 40 recommendations containing \$3.4 million in funds OIG recommended could be put to better use.





**FINAL ACTION ON AUDITS AND AUDIT RECOMMENDATIONS  
WITH DISALLOWED COSTS FOR THE 6-MONTH PERIOD  
October 1, 1992 - March 31, 1993**

The chart on the following page depicts the overall status of audits with disallowed costs for this reporting period. As of October 1, 1992, final action was in process but not complete on 195 audits with \$164,767,241 in disallowed costs. Management decisions were made during the period on 68 audits with \$10,081,760 in disallowed costs. Management implemented action for 100 audits, recovering \$4,421,392 in costs that should not be charged to USDA programs and writing off \$42,487,630 in uncollectible debts due to bankruptcies, excessive cost of collections, legal determinations, or terminations in program participation. Additionally, agencies collected \$14,355,823 and wrote off \$1,376,193 as a result of final action taken on 122 individual audit recommendations.

**Final Action on Audits And Audit Recommendations  
With Disallowed Costs  
October 1, 1992 - March 31, 1993**

	Disallowed Costs	
	Number of Audit Reports	Dollars
A. Management decisions with no final action as of October 1, 1992	195	164,767,241
B. Management decisions during the period	68 <sup>1</sup>	10,081,760 <sup>1</sup>
C. Total management decisions (A + B)	263	174,849,001
D. Final action on audit reports	100	47,310,798 <sup>2</sup>
1. Recoveries		
(a) Collections		1,526,946
(b) Other		2,872,746
(c) Property in lieu of cash		21,700
2. Writeoffs		42,487,630
3. Subtotal (1 + 2)		46,909,022 <sup>3</sup>
E. Audit reports needing final action as of March 31, 1993 (C - D)	163	127,538,203
	<b>RECOMMENDATIONS</b>	
F. Final action on audit recommendations	122	15,828,264 <sup>4</sup>
1. Recoveries		
(a) Collections		13,752,622
(b) Other		603,201
2. Writeoffs		1,376,193
3. Subtotal (1 + 2)		15,732,016 <sup>4</sup>
G. Total final action taken during the period (D + F)		63,139,062

<sup>1</sup>This reflects seven additional audits and \$1,218 less in disallowed costs than the OIG Semiannual Report for this 6-month period. The seven audits are the result of individual Agencies making management decisions on their portion of multi-Agency audits and \$1,218 was reported in a prior report as a result of a management decision on a multi-Agency audit.

<sup>2</sup>This amount was reduced by \$533,012 due to documentation obtained to support the costs and appeals.

<sup>3</sup>Agencies recovered an additional \$131,236 not identified in OIG audit reports.

<sup>4</sup>This amount was reduced by \$106,686 due to appeals and documentation to support the costs, and an additional \$10,438 was collected which was not identified in OIG audit reports.

**FINAL ACTION ON AUDITS AND AUDIT RECOMMENDATIONS  
WITH FUNDS TO BE PUT TO BETTER USE FOR THE 6-MONTH PERIOD  
OCTOBER 1, 1992 - MARCH 31, 1993**

The chart on the following page depicts the overall status of audits with funds to be put to better use for this reporting period. As of October 1, 1992, final action was in process but not complete on 70 audits with \$2,339,207,696 in funds recommended to be put to better use. Management decisions were made during the period on 21 audits with \$144,077,606. Management implemented action on 29 audits containing \$868,706,500 in funds to be put to better use. Recommendations for \$846,085,009 were not put to better use, mainly due to either statutory or other mandatory requirements. Additionally, agencies took final action on \$253,000,692 contained in 39 individual audit recommendations.

**Final Action on Audits and Audit Recommendations  
With Funds To Be Put To Better Use  
October 1, 1992 - March 31, 1993**

			<b>Funds To Be Put To Better Use</b>	
			<b>Number of Audit Reports</b>	<b>Dollars</b>
<b>A.</b>	<b>Management decisions with no final action as of October 1, 1992</b>		70	2,339,207,696
<b>B.</b>	<b>Management decisions made during the period</b>		21	144,077,606
<b>C.</b>	<b>Total management decisions (A + B)</b>		91	2,483,285,302
<b>D.</b>	<b>Final action on audit reports</b>		29	868,706,500
	1. Value of recommendations implemented			22,621,491
	2. Value of recommendations not implemented			846,085,009
	3. Subtotal (1 + 2)			868,706,500
<b>E.</b>	<b>Audits reports needing final action as of March 31, 1993 (C - D)</b>		62	1,614,578,802
		<b>RECOMMENDATIONS</b>		
<b>F.</b>	<b>Final action on audit recommendations</b>		39	253,000,692
	1. Value of recommendations implemented			238,842,815
	2. Value of recommendations not implemented			14,157,877
	3. Subtotal (1 + 2)			253,000,692
<b>G.</b>	<b>Total final action taken during the period (D + F)</b>			1,121,707,192

#### **AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION**

The table on the following page reflects 12 audits either under appeal or a legislative solution is necessary to effect final action. These audits contain 103 recommendations involving \$7,408,657 in disallowed costs and \$379,248,309 in funds to be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on 40 recommendations with \$3,400,000 in funds OIG recommended could be put to better use.

# AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION OCTOBER 1, 1992 – MARCH 31, 1993

Agency	Administrative Appeal	Judicial Appeal	Legislative Solution	Disallowed Costs (Dollars)	Funds To* Be Put To Better Use (Dollars)
ASCS	2	0	0	2,342,678	0
FmHA	0	0	2	0	376,948,790
FCIC	0	1	0	4,755,287	244,200
FS	2	2	0	0	1,623,656
SCS	1	0	0	0	431,663
FNS	2	0	0	310,692	0
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>7,408,657</b>	<b>379,248,309</b>

\*Of this amount, action is complete on \$3.4 million.



**APPENDIX 1**  
**AGENCY AUDITS WITHOUT FINAL ACTION 1 YEAR**  
**FROM THE MANAGEMENT DECISION DATE**

Agencies did not complete corrective action within 1 year on 123 audits. The 86 audits indicated with an asterisk (\*) were in the report for the period April 1 through September 30, 1992. Some audits contain multiple recommendations affecting the completion of final action. These include complex automated system changes, collection activities, development and implementation of regulations or directives, legal implications, investigations, actions by other than USDA agencies, and other time-consuming corrective action to implement the management decisions. The 123 audits contain 1,162 recommendations and action is complete on 769 recommendations with \$36,016,364 in disallowed costs, and \$252,276,195 in funds to be put to better use.



**AGENCY AUDITS WITHOUT FINAL ACTION**  
**1 YEAR FROM THE MANAGEMENT DECISION DATE**  
**(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>AGRICULTURAL MARKETING SERVICE</b>				
Cotton Research and Promotion Program, Cotton Board #01045-4-AT*	3/9/89	380,101 (21,204)	0	AMS completed all administrative and corrective actions on this audit. Final action is delayed pending a legal determination on the disallowed costs.
Compliance With Domestic Commodity Origin Requirements #50099-38-FM	8/19/91	0	0	The audit recommended that AMS take action against contractors not complying with domestic commodity origin requirements. The need to compile and evaluate investigative reports for enforcement potential delayed final action beyond 1 year.
AMS Subtotal		380,101 (21,204)		
<b>AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE</b>				
Pennsylvania State and County Office Administration #03001-47-HY*	3/30/90	328,762 (7,525)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1989 Emergency Crop Loss Assistance, Orleans County, New York #03012-2-HY	8/1/91	146,284 (67,699)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Improved Controls and Oversight Would Reduce Losses to the CCC on Settlement Actions on Adverse Warehouse Cases #03091-19-FM*	8/8/90	284,000 ( 0 )	0	The audit has 55 recommendations of which 53 are complete. The remaining findings are that ASCS modify the Uniform Grain Storage Agreement, the Code of Federal Regulations and handbook procedures to show timeframes for written notification, acceptance, and decisions on appeals, and update all handbooks and contract provisions that pertain to warehouse operations and examinations to reflect current operating procedures. Development of the procedures and handbooks is delaying final action. Completion is scheduled in Fiscal Year (FY) 1993.
Application of Eligibility and Payment Limitation Requirements, Idaho #03099-59-SF*	11/27/90	433,320 (142,835)	1,011,080 ( 0 )	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Excessive Deficiency Payments to Hybrid and Certified Seed Producers #03099-70-CH*	9/30/88	0	170,000,000 (170,000,000)	The audit recommended that ASCS require the use of actual hybrid seed yields to compute deficiency payments and either seek legislation to exclude nonprogram crops from deficiency payments or establish separate market prices for these crops. If legislation is not sought, coordinate with NASS to obtain market prices received by producers for hybrid and certified seed, as well as for other higher priced crops. A change in the management decision is delaying final action.
1988 Disaster Program in Michigan #03099-81-CH*	1/12/90	757,372 (40,424)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Payment Limitation in Colorado #03099-114-KC*	7/14/88	328,799 (87,844)	1,917,409 ( 0 )	The audit has 12 recommendations of which 11 are complete. The remaining finding is that ASCS provide instructions to correct the cases cited with improper person determinations, including collection of improper payments. Final action is delayed pending the results of legal action filed by the producer against the Secretary of Agriculture.
Emergency Conservation and Feed Program Claims in Caddo Parish, Louisiana #03099-137-TE*	8/25/89	9,767 (9,767)	3,750 ( 0 )	The audit has three recommendations of which one is complete. The remaining findings are that ASCS review the facts presented and recover the payments made to the producer. Final action is delayed pending the results of legal action filed by the producer against the Secretary of Agriculture.
CCC-Debt Management Initiatives #03099-141-AT*	5/28/91	0	0	The audit has four recommendations of which one is complete. The remaining findings are that ASCS prioritize and report delinquent debt to credit bureaus, ensure that implementation timeframes are met, notify Congress of ASCS/CCC's intent to refer delinquent debts to private collection agencies, develop referral procedures and timeframes to complete implementation, and revise selection criteria to screen eligible debts delinquent more than 1 year for Federal tax refund offset. Final action is delayed pending the implementation of a system to report delinquent debts to credit bureaus. Completion is scheduled in FY 1994.
1988 and 1989 Disaster Assistance Program Operations #03099-144-TE*	6/5/90	293,201 (105,556)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Program Payments in Arkansas, #03099-149-TE	11/8/91	625,353 (625,353)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Payment Limitation for Related Farming Operations in Kansas #03099-156-KC	6/11/91	178,145 (44,908)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
CCC Financial Statements #03600-1-FM	3/31/92	0	0	The audit recommended that ASCS develop procedures to ensure that adjustments, closing instructions, and reconciliations are timely and accurately prepared and completed. The development of procedures and related handbooks is delaying final action. Completion is scheduled in FY 1993.
Actions on Payment Limitations for 1987 in Idaho #03600-1-SF*	5/19/89	1,118,793 (808,535)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Payment Limitations for 1987 in California #03600-2-SF*	6/14/89	566,194 (306,799)	0	The audit has four recommendations of which three are complete. The remaining finding is that ASCS collect the questionable payments. Final action is delayed pending the results of legal action filed by the producers against the Secretary of Agriculture.
Maximum Payment Limitation Provisions for 1987 in Texas #03600-4-TE*	10/19/89	688,596 (157,600)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Internal Administrative Controls for Program Operations #03600-7-KC*	6/29/90	0	0	The audit has six recommendations of which four are complete. The remaining findings are that ASCS develop and implement procedures to require the use of quantified and qualified cost, benefit, and risk analyses to determine the methodologies and techniques used to accomplish internal control objectives and the scope of program compliance. The development of handbooks is delaying final action. Completion is scheduled in FY 1993.
Emergency Crop Loss Assistance #03600-8-CH	6/6/91	10,709 (2,921)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1989 Disaster Assistance Program, Frio County, Texas #03600-18-TE	5/22/91	131,077 (83,942)	0	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Large Payments for 1986, R.C. Farming Partnership #03645-11-SF*	4/20/89	825,096 (825,096)	0	The audit recommended that ASCS obtain repayments from R.C. Farming Partnership (R.C.), review R.C.'s operations for subsequent years to determine whether the conditions noted in the audit continue and recover any overpayments. Final action is delayed pending a determination from the United States (U.S.) Attorney in San Francisco as to whether the producers will face criminal prosecution.
Large Payments for 1986, La Reata Farms #03645-17-TE*	6/2/89	1,289,513 (1,334,537)	27,232 ( 0 )	ASCS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
ASCS Subtotal		8,014,981 (4,651,341)	172,959,471 (170,000,000)	

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FARMERS HOME ADMINISTRATION</b>				
Assessment of Interest Credit in Missouri #04001-1-FM	5/29/91	7,466 ( 0 )	192 ( 0 )	The audit recommended that FmHA include earned income credit in annual income calculations, reduce property tax deductions with senior citizen discounts, and deduct allowable medical expenses, correct interest credit agreements, and recover any unauthorized interest credit. Due to an omission in FmHA's audit tracking system, final action was not complete within 1 year.
Implementation of the Office of Management and Budget's Nine Point Credit Management Program #04006-2-AT*	8/10/88	0	0	The audit has 24 recommendations of which 21 are complete. The remaining findings are that FmHA report delinquent commercial and consumer debts to credit bureaus, use the Office of Management and Budget (OMB) and Treasury guidelines to report debt information to credit bureaus, develop an automated system for cases referred to the Department of Justice (DOJ), and implement recommendations resulting from the caseload reconciliation project. USDA plans to build a Department-wide Litigation Tracking System which will support FmHA's programs. This is delaying final action.
Housing Preservation Grant Program #04099-69-SF*	12/28/88	0	0	The audit has nine recommendations of which three are complete. The remaining findings are that FmHA issue instructions to ensure grantees prepare Financial Status Reports that reconcile with their accounting records, complete repair projects prior to closing out the grant agreement, and certify that final building inspection reports are reviewed and filed prior to submission of the final progress reports. FmHA expects to publish a regulation to incorporate the audit recommendations by summer 1993.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Collection Systems and Other Selected Areas #04099-72-FM*	9/28/90	313 ( 0 )	254,273 (1,430)	The audit has 12 recommendations of which 8 are complete. The remaining findings are that FmHA revise procedures to adhere to Internal Revenue Service (IRS) reporting requirements, develop an automated mechanism to issue appropriate forms to IRS and to individuals receiving income from sales of acquired property, and require reappraisals when FmHA appraisals indicate that the market values have declined. FmHA completed an analysis on alternative methods of reporting payments to IRS and revisions to Form FmHA 1965-20 are in Agency clearance. Requests for alteration to provide reports to IRS are in the approval process. Completion of the regulation on income tax refund offset on employee defalcation accounts and the revision of the Single Family Housing liquidation, property management and disposition regulation are delaying final action. FmHA anticipates publishing a proposed rule in FY 1993.
Debt and Loan Restructuring System and Related Systems Modifications #04099-74-FM*	9/25/90	0	0	The audit has six recommendations of which five are complete. The remaining finding is that FmHA clarify whether loans of the same type, but with different interest rates, should be consolidated, and make appropriate changes to Agency procedures. Regulation changes are drafted. Review, approval, and subsequent publication are delaying final action.
Assessment of Interest Credit Provisions in Pennsylvania #04099-76-HY	6/21/91	4,248 ( 0 )	0	The audit recommended that FmHA recover unauthorized interest credit assistance. Collection through a repayment schedule delayed final action within 1 year.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Accountability of Servicing Agents for Rural Housing Trust Loans #04099-79-FM	3/29/91	324,672 (324,672)	0	The audit has four recommendations of which two are complete. The remaining findings are that FmHA instruct the lender to review, correct, and collect interest credit and revise the reporting requirements to ensure information is obtained for FmHA's review of the monthly claim for reimbursement. FmHA is revising Instruction 1944-A to combine the servicing aspects of interest credit into Instruction 1951-G. A moratorium on the publication of regulations, collection of disallowed costs, and review of trust loans are delaying final action.
Evaluation of Selected Information Resource Management and Other Procurements #04099-87-FM	9/30/91	0	2,129,250 (2,129,250)	The audit has 13 recommendations of which 10 are complete. The remaining findings are that FmHA complete an analysis of information needs, either correct deficiencies in planning documents or obtain management approval for any deviations from established requirements, notify OMB before making material revisions to the budget and provide supporting documentation, and provide cost-benefit analyses to OMB for major acquisitions. FmHA transferred funds to the General Services Administration (GSA) to conduct the Information Systems Plan (ISP) study. Award of a contract to assist in the development of the ISP is suspended pending the outcome of an OIG investigation.
Grazing Association Loan Restrictions #04099-95-KC*	1/27/89	3,547,732 (2,456,946)	0	The audit has four recommendations of which three are complete. The remaining finding is that FmHA require all grazing associations not in compliance with their loan restrictions to adhere to program requirements or liquidate the loans. Final action is delayed due to the large number of financially complex cases. In some cases, foreclosure is under way involving OGC and DOJ. FmHA expects resolution of all cases in early FY 1994.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Projects, Montana #04099-115-KC*	1/15/91	1,285,777 (1,285,777)	0	The audit recommended that FmHA instruct the borrower to comply with the loan provisions and Agency regulations, to follow prescribed procedures to change rents, to roll back rents to the FmHA authorized level, to timely submit required annual reports, to provide a full accounting for project income and required Certified Public Accountant (CPA) reports, and to refund all rental assistance payments; that FmHA coordinate with the Department of Housing and Urban Development and the housing authority to ensure the borrower properly reports approved rents; and determine if continued interest credit is in the best interest of the Government. Foreclosure proceedings are delaying final action.
Management of Six Rural Rental Housing Projects, Montana #04099-116-KC*	3/4/91	1,484,131 (1,484,131)	0	The audit recommended that FmHA coordinate with OGC and OIG on servicing actions to minimize losses and the potential for criticism of the Government, require collection of unauthorized withdrawals and interest, require the borrower to restore proper balances to the reserve and operating accounts, review the propriety of management fees, repair expenses and travel expenses, initiate debarment proceedings, require the borrower to fully fund tenant security deposit accounts and to account for deposits and withdrawals, follow the proper accounting procedure for determining and reporting laundry and miscellaneous income, provide for a CPA audit of all accounts after 1985 and submit past due management reports, resolve the unauthorized liens against the FmHA loan collateral, pay all delinquent taxes, and establish and fund a tax escrow account for projects. FmHA accelerated loans for five projects and the borrower appealed. As a result, FmHA's determination to accelerate was upheld and the loans

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Management of Four Rural Rental Housing Projects, Wyoming #04099-118-KC*	11/30/90	2,013,601 (2,013,601)	0	were submitted to OGC for foreclosure. Four loans were processed by OGC when the borrower filed bankruptcy. A Proof of Claim was filed with the court and OGC is preparing a request for a Release of Automatic Stay. If approved, FmHA will proceed with foreclosure. This is delaying final action.
Debt Management of Defaults on Guaranteed Loans #04099-118-TE*	6/11/87	0	0	The audit recommended that FmHA coordinate with OGC and OIG on servicing actions to minimize losses and the potential for criticism of the Government; require the borrower to restore balances to the reserve and operating accounts and apply any remaining funds not needed to FmHA loan obligations; require payment of delinquent taxes; initiate proceedings to debar the borrower and officers of the current management firm; review the propriety of project repair expenses, management fees, and travel expenses; require the borrower to provide a CPA audit of accounts after 1985, submit past-due management reports, and fully fund tenant security deposit accounts for each project and account for deposits and withdrawals. The borrower filed for bankruptcy and a Proof of Claim was filed. The date for a foreclosure sale is postponed until a Motion for a Lift of Stay is submitted to the Bankruptcy Court. Final action is delayed due to the sale of the borrowers' projects.
Management of Two Rural Projects, North Dakota #04099-119-KC	9/6/91	885,169 (872,298)	0	The audit recommended that FmHA modify Instruction 1980-A to include procedures to monitor the recovery and collection actions of lenders subsequent to payment of loan guaranties loss claims. The anticipated publication date is June 1993.  FmHA completed all administrative or corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Guadalupe Economic Services Corporation Housing Preservation Grant #04099-145-TE*	4/24/89	133,360 (18,916)	0	FmHA completed all administrative or corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of disallowed costs.
Housing Preservation Program Grant to Motivation, Education, and Training, Inc. #04099-151-TE*	12/28/89	8,080 (7,965)	0	The audit has three recommendations of which two are complete. The remaining finding is that FmHA obtain payment from Motivation, Education, Training, Inc., for construction of a new home that was not eligible for program assistance. A determination on the borrower's request for debt settlement is delaying final action.
Review of Single Family Housing Acquired Property #04099-160-TE	9/30/91	0	141,773 ( 0 )	The audit has four recommendations of which three are complete. The remaining finding is that FmHA refine its system to classify and capture costs of acquiring, managing, and selling homes. A system modification is in the design phase. Due to the assigned priority level, implementation is not expected until December 1995.
Rural Rental Housing Program Borrower-Texoma Agency #04099-178-TE	12/2/91	0	378,278 (378,278)	The audit has 11 recommendations of which 5 are complete. The remaining findings are that FmHA require the borrower to restore reserve accounts, to provide documentation on expense accounts, to submit management agreements and plans, and to assure funds are not commingled. FmHA initiated liquidation proceedings. This is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Housing Loans on Manufactured Homes #04099-284-AT*	8/16/89	0	0	The audit has two recommendations of which one is complete. The remaining finding is that FmHA use no higher than average quality cost factors to appraise manufactured houses. FmHA is revising Instruction 1944-A. An advance Notice of Proposed Rule was published in the Federal Register for public comment. The proposed regulation is in clearance. FmHA anticipates publication of a final rule in spring 1994.
Rural Rental Housing Program, Lexington, Kentucky #04099-299-AT*	9/28/90	181,592 (181,592)	716,034 ( 0 )	The audit has 15 recommendations of which 12 are complete. The remaining findings are that FmHA recover excess loans, reduce loan amounts when overhead costs and profits exceed approved amounts, monitor compliance with FmHA's requirements concerning disclosure of identities-of-interest, review loan documents and certifications, and require contractors to explain differences between estimated and actual costs prior to closing loans. Final action is delayed due to an OIG investigation and FmHA's development of regulations.
Protection for Purchasers of Farm Products #04099-317-AT*	8/26/91	0	0	The audit has two recommendations of which one is complete. The remaining finding is that FmHA properly prenotify potential buyers of farm products by either participating in States' central filing systems or providing legally enforceable written prenotifications from third-party purchasers of farm products. FmHA is revising Instruction 1962-A and anticipates publication in October 1993.
Rural Rental Housing Program Compliance #04600-1-SF*	8/17/89	0	0	The audit has eight recommendations of which six are complete. The remaining findings are that FmHA require the borrower to submit financial statements audited by a CPA for each Rural Rental Housing (RRH) project, review management fee expenses for the years not reviewed by OIG, and require the borrower to correct any overcharges found. An OIG investigation of the borrower is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Program, Project Operations, Harrisburg, Pennsylvania #04600-2-HY*	10/4/90	0	0	The audit has 22 recommendations of which 20 are complete. The remaining findings are that FmHA obtain data to set fair and equitable management fees, and revise its forms to track reserve accounts. The review of data to set management fees and approval of guidance to track reserve accounts are delaying final action.
1988 Drought Emergency Loss Loans in Texas #04600-2-TE*	12/26/89	38,750 (3,871)	0	FmHA completed all administrative or corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Rural Area Eligibility Designations in Washington, D.C. #04600-4-AT*	12/5/89	0	0	The audit has seven recommendations of which four are complete. The remaining findings are that FmHA revise its regulations to require more reviews when rapid development affects existing boundary lines, require contacts with local planning officials and documentation of planned development which impacts boundary determinations when rural area reviews are made, further define land types and uses that qualify as open space, and specify that boundary designations include required open spaces within the ineligible nonrural areas. Final action is delayed pending the revision to FmHA Instruction 1944-A. The regulation is anticipated by May 1994.
Rural Rental Housing Program Project Operations in California #04600-5-SF*	10/19/90	0	0	The audit has 13 recommendations of which 12 are complete. The remaining finding is that FmHA process paperwork to approve changes in the reorganized partnerships. The receipt of documentation from the partnerships is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Administration of the Rural Rental Housing Program's Rental Assistance and Interest Credit #04600-6-CH*	3/30/90	0	69,370,000 (8,770,000)	The audit has eight recommendations of which one is complete. The remaining findings are that FmHA disseminate the results of the audit; strengthen RRH instructions to require disciplinary actions for tenants and borrowers not in compliance with FmHA instructions; issue an instruction to specify when changes to a tenant's permanent income are sufficient to warrant recertification; obtain income and benefit information to compare with tenant certifications; provide specific guidance on conducting reviews of tenant reporting and RRH borrower verification of tenant incomes; revise instructions to clarify supervisory visits for verifying tenant income and deductions; and clarify the corrective actions available for RRH borrower compliance with supervisory visit recommendations. FmHA issued guidance through an administrative notice to its field offices. The revised FmHA Instruction 1930-C is in clearance, and FmHA anticipates publication in FY 1993.
Guaranteed Loan Interest Rate Buydown Program #04600-7-AT*	3/29/90	0	0	The audit has nine recommendations of which six are complete. The remaining findings are that FmHA require lenders to submit appropriate documents for approval; establish procedures to ensure the review of cash flow items during internal reviews; and establish procedures to require lenders to certify before loan closing that off-farm income, farm debts, and ASCS payments were verified and crop yields were based on 5-year average yields for other sources. Publication of proposed regulations is delaying final action.
Rural Rental Housing Construction Activities - California #04600-7-SF	2/4/92	0	0	The audit has two recommendations of which one is complete. The remaining finding is that FmHA evaluate the work of two CPA firms and consider debarment. OIG referred one CPA to the State Board of Accountancy. FmHA will take appropriate administrative actions following the review by the State Board of Accountancy. This is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Management of Rural Rental Housing and Rural Housing Programs in Washington, D.C. #04600-8-CH*	3/19/91	0	4,444,815 ( 0 )	The audit has nine recommendations of which seven are complete. The remaining findings are that FmHA develop, approve, and implement procedures to prioritize RRH projects for funding; and establish procedures to identify State Offices that do not require applicants to submit their applications in the order of the priority points assigned to their preapplications. FmHA Instruction 1944-E is in clearance and FmHA anticipates publication in spring 1993.
Servicing of Borrowers Participating in the ASCS Conservation Reserve Program #04600-11-AT*	8/7/90	0	0	The audit has four recommendations of which three are complete. The remaining finding is that FmHA issue instructions for adjusting comparable property appraisal values and determine income-based appraisal values to reflect Conservation Reserve Program contract values. Instructions are anticipated to be published by June 1993.
Administrative Appeal Procedures #04600-13-AT*	3/27/91	0	0	The audit has 14 recommendations of which 11 are complete. The remaining findings are that FmHA revise its regulations to address the weighing of oral and documentary evidence and the relevance of FmHA actions or inactions that are not related to the issues under appeal; to provide that hearing officers (HO) may not evaluate decisions based on criteria not contained in FmHA regulations or overturn FmHA decisions based solely on the appellant's unsupported oral testimony; to provide complete procedures for reviews of nonappealable decisions; to clarify when new information may and may not be used in an appeal; and to require HO decisions to cite FmHA regulations, where appropriate; and to delete the provision allowing appeal decisions based on the HO's general knowledge. Regulations are delayed due to their low priority. This is delaying final action.

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Rural Rental Housing Program, Project Operations, Ohio Columbus, Ohio #04600-13-CH*	3/22/91	0	89,641 (67,904)	The audit has 13 recommendations of which 12 are complete. The remaining finding is that FmHA require reimbursement of questionable project expenses and unreported income. FmHA sent demand letters requesting either repayment of excessive management fees or justification for the questioned amounts. The borrower submitted documentation; however, FmHA considered it insufficient. Additional information from the borrower is delaying final action.
Farmer Program Guaranteed Loan Losses #04600-15-AT	11/25/91	0	0	The audit has nine recommendations of which five are complete. The remaining findings are that FmHA restrict the amount of loans used to refinance debts, reduce the percentage of guarantee, develop and implement a credit risk analysis system, obtain appraisals of collateral, notify local buyers of liens on farm products taken as security, pursue recovery of loan collateral, determine the status of repurchased loans, submit liquidation plans for uncollectible loans, and take over servicing of loans when timely responses cannot be obtained. FmHA is revising the Certified Lender Program regulation to address the audit recommendations. A change in the management decision and publication of the regulation are delaying final action.
Rural Rental Housing Program Project Operations #04600-20-CH	8/23/91	0	0	The audit has six recommendations of which two are complete. The remaining findings are that FmHA issue instructions to establish and implement internal controls and procedures, and revise regulations to require annual analyses and a comparison of actual costs to identify excessive or unusual costs. FmHA issued administrative notices to provide guidance to its field offices until FmHA Instruction 1930-C is revised and published in the Federal Register. Publication of the regulation is delaying final action.

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Nationwide Audit of County Office Operations #04642-1-TE*	7/16/85	0	0	The audit has 48 recommendations of which 44 are complete. The remaining findings are that FmHA strengthen internal controls, develop and implement a method for issuing refund checks, and improve controls over interest credit recapture operations. Publication of FmHA Instruction 1951-I is delaying final action.
Farmer Program Guaranteed Loans Need Improvement #04665-2-TE*	9/29/88	0	483,405,395 (349,800,000)	The audit has 17 recommendations of which 14 are complete. The remaining findings are that FmHA obtain statements from lenders indicating that they reviewed the borrower's financial information and could not consider giving the borrower a loan, implement policies and procedures to collect debts on defaulted loans, and computerize controls to detect and prevent borrowers who default on loans from obtaining loans without repayment of the defaulted loans. Publication of regulations and development of the ISP are delaying final action.
Nationwide Review of Selected Program Areas #04669-2-FM*	9/29/89	0	1,597,300 (1,056,000)	The audit has 12 recommendations of which 10 are complete. The remaining findings are that FmHA closely monitor the timeliness of processing Interest Credit Agreements, prepare quarterly reports to identify field offices which do not timely renew or cancel Interest Credit Agreements, and incorporate edit checks into the various automated systems to identify questionable loan interest rates. Implementation of other Agency priority projects is delaying final action.
Debt Restructuring, Selected Large Borrowers #04673-9-SF	9/19/91	0	0	The audit recommended that FmHA issue regulations to address the repayment ability of individuals who co-align promissory notes, and the handling of nonessential assets. A small staff and other priority level assignments delayed final action within 1 year.

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Debt Restructuring Decision, Cimmaron County, Oklahoma #04674-2-SF	4/15/91	0	0	The audit recommended that FmHA reinstate a debt based on the conditions noted in the audit report. FmHA notified the borrower of the unauthorized assistance received and requested a promissory note. The borrower refused to sign the note. A determination on collectibility of the account delayed final action within 1 year.
Unauthorized Use of FmHA Inventory Farm Property #50099-20-AT*	5/17/89	498,612 (487,370)	0	The audit has four recommendations of which three are complete. The remaining finding is that FmHA consult with OGC to determine whether there is legal recourse to seek compensation from trespassers. The U.S. Attorney filed suit against the trespasser in Louisiana.
Oversight of Program Operations Through the Use of Certified Public Accountants #50659-4-CH*	3/31/87	0	0	The audit has 21 recommendations of which 19 are complete. The remaining findings are that FmHA develop an automated system to track audits and follow up when reports are not received or are unaudited. FmHA is designing an automated system which will tract various tasks, including the submission of audits and the completion of reviews. FmHA currently has a manual card box management system. Development of the automated system is delaying final action.
FmHA Subtotal		10,413,503 (9,137,139)	562,526,951 (362,202,862)	
FEDERAL CROP INSURANCE CORPORATION				
Administration of Claims and Appeals #05002-1-TE	1/18/91	0	0	The audit has 11 recommendations of which 8 are complete. The remaining findings are that FCIC establish uniform procedures and systems to handle appeals either by individual insurers or by reinsurance companies; develop and implement procedures to help ensure the independence of the HO; and develop

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Reinsurance Operations - Mississippi #05099-11-AT*	03/31/88	822,104 (822,104)	12,680,562 ( 0 )	<p>procedures for referring cases to DOJ when overpayments exceed \$20,000. Regulations addressing the first two recommendations are on hold due to the Departmental moratorium on the publication of regulations. FCIC will develop and issue procedures for referring cases to DOJ shortly after a transfer of internal Agency functions and staffing limitations are addressed.</p> <p>The audit has six recommendations of which four are complete. The remaining findings are that FCIC collect overpayments from two individuals. Account receivables are established and collection activities initiated. One individual, prosecuted by the courts and ordered to make restitution, declared bankruptcy. The probation officer is allowing a few years before beginning restitution payment. FCIC has placed this individual on the debt master listing for Federal policies. The other individual recently submitted an accounting report correcting the overpayment.</p>
Hybrid Seed Crop Insurance #05099-15-CH*	10/04/89	356,940 ( 0 )	230,014 ( 0 )	<p>The audit has 13 recommendations of which 11 are complete. The remaining findings are that FCIC revise its hybrid seed policy provisions to require that growers submit a copy of their seed company contracts along with the acreage reports for use in determining eligibility, and to require reinsurance companies and master marketers to review the growers' contract to determine if the grower has an insurable interest prior to policy approval. FCIC plans to revise the hybrid seed policy to allow seed companies to have an insurable interest. This revision was scheduled to be implemented in July 1993, but is on hold due to the Department's moratorium on new regulations. Loss adjustment procedures were revised to require adjusters to review and verify contracts for adherence to policy provisions.</p>

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Claims Adjusted for Indemnities by Producers Who Received Large Payments from ASCS #05099-32-TE*	7/31/89	41,711 (27,051)	0	The audit has 22 recommendations of which 19 are complete. The remaining findings are that FCIC collect the overpaid indemnity and administrative expenses and adjust the total premium downward on accounting records. FCIC notified the managing general agency to correct the accounting report for the policy. However, the backing company is no longer in the crop insurance business and there are no funds to offset against. The managing general agent agreed to review the case. If an adequate response is not received, the case will be reviewed for possible legal action.
Cash Management Practices With Reinsured Companies - Phase II #05099-39-FM*	3/21/91	0	6,939,000 (3,538,000)	The audit has 14 recommendations of which 12 are complete. The remaining findings are that FCIC develop the means to evaluate premium fluctuations each program year, recover any excessive costs, and establish a review group to study the benefits/costs of requiring insurers to pay 50 percent of the adjusted premium when insurance coverage attaches to a crop. FCIC expects to complete implementation of these recommendations by July 1993.
1988 Crop Insurance Contracts With Claims #05600-1-TE*	9/29/89	0	0	The audit has 19 recommendations of which 13 are complete. The remaining findings are that FCIC enforce provisions for reviews of past yield histories and incorporate these provisions into the Multiple-Peril Crop Insurance manuals; eliminate the use of the premium adjustment factors; expand the Actual Production History (APH) reviews; establish an acceptable APH error rate level and set annual goals to reduce the rate to this level; and require a review of APH data for every claim until the APH error rate is within the established level. A change in the management decision is delaying final action.

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Internal Control Structure #05600-4-HQ	3/31/92	0	0	The audit has 14 recommendations of which 12 are complete. The remaining findings are that FCIC increase emphasis on complying with purchase documentation requirements; and develop standardized, corporatewide change control methodology, organizationwide program documentation objectives, and a standardized organizationwide change process. FCIC implemented these recommendations and written procedures are scheduled to be issued in spring 1993.
FCIC Subtotal		1,220,755 (849,155)	19,849,576 (3,538,000)	
FOREIGN AGRICULTURAL SERVICE				
Commodity Pricing Review #07001-2-HY	3/25/91	63,885,638 (38,503,981)	0	The audit recommended that FAS notify exporters that included any after sales services in their reported port value that they are liable for all losses to CCC in the case of a loan default. An investigation is delaying final action.
General Sales Manager 102 and 103 Programs #07099-2-AT*	12/11/90	0	6,219,645 (1,600,000)	The audit recommended that FAS recover any losses CCC may incur as a result of Iraqi State Enterprise for Tobacco and Cigarettes/Iraq's failure to repay loans guaranteed by the programs. The exporters and guaranties included in this report are part of a larger investigation. Legal determinations as a result of the investigation are delaying final action.
Implementation of Audit Recommendations Related to Market Development Activities #07099-27-HY	12/10/91	0	0	The audit recommended that FAS decide whether to continue the Memorandum of Understanding (MOU) with the Agency for International Development (AID). If the MOU is discontinued, determine the timeframes to develop Agency regulations to administer the Section 416 Program. Since AID no longer administers the Section 416 program, no MOU was necessary. Completion and clearance of regulations are delaying final action.

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SOIL CONSERVATION SERVICE				
Implementation of Food Security Act Conservation Provisions #10099-10-KC*	9/28/90	0	0	This audit has five recommendations of which two are complete. The remaining findings are that SCS require reviews of conservation plans for highly erodible land conservation; revise or amend plans to ensure Food Security Act objectives are accomplished; establish controls to ensure required plans are implemented; and revise the internal control systems. The complexity of the management decision and staff vacancies are delaying final action. The targeted completion date is December 1994.
SCS Subtotal		0	0	
COOPERATIVE STATE RESEARCH SERVICE				
Fort Valley State College, Georgia #50563-192-AT	9/25/91	21,622 ( 0 )	0	The audit has six recommendations of which five are complete. The remaining finding is that CSRS ensure that the auditee returns funds incorrectly charged for retirement contributions. CSRS is pursuing documentation to support the substitution of other non-federal charges for the disallowed costs. If satisfactory documentation is not provided, CSRS will ensure that the auditee refunds the disallowed costs.
CSRS Subtotal		21,622 ( 0 )	0	

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<b>FOOD SAFETY AND INSPECTION SERVICE</b>				
Indirect Cost Proposals for the State of West Virginia Department of Agriculture #24092-23-HY*	05/09/89	2,522,280 (650,518)	0	FSIS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Exporting Procedures #24097-1-AT*	02/05/87	0	0	The audit recommended that FSIS issue regulations to govern its plans to replace all Poultry Acceptable Quality Level Standards with Finished Product Standards. FSIS plans to complete replacement of the standards by the end of FY 1993.
Labeling Policies and Approvals #24099-5-AT*	6/26/90	0	0	The audit has 18 recommendations of which 6 are complete. The remaining findings identified deficiencies in the Label Approval Process; inadequate verification and enforcement of health and nutrition related claims; and inconsistencies in classifying, labeling, and inspecting nonamenable products. FSIS is examining options for improving the efficiency and effectiveness of the prior labeling approval process. Final nutrition labeling regulations were published in January 1993 and proposed health claim regulations are under development.
Monitoring of Drug Residues #24600-1-AT	9/30/91	0	0	The audit has 14 recommendations of which 9 are complete. The remaining findings are that FSIS revise its directive to delineate responsibilities and specify decisions requiring documentation; prepare written policies and procedures to address Unidentified Analytical Responses (UAR's) Identification, reporting, and followup actions to be taken when UAR's are detected; implement procedures to consider potential contaminations as a factor for including compounds and

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FAS Subtotal		63,885,638 (38,503,981)	6,219,645 (1,600,000)	
FOREST SERVICE				
Monitoring of Deficit Unobligated Balances #08099-34-AT*	9/26/89	0	23,980,799 ( 0 )	The audit has 14 recommendations of which 11 are complete. The remaining findings are that FS review revised financial management procedures to identify and to reestablish control features that may have been deleted, perform indepth financial management reviews at the accounting centers that contributed to the FY 1988 Anti-Deficiency Act violations and ascertain definitive causes and solutions for the deficit account balances, and instruct accounting centers and units to compare budgeted funds to actual allocations and require adjustments in obligations authority when actual funding is less than budgeted. FS is revising a handbook to complete the remaining actions. Final action is delayed because a key staff position was vacant for an extended period.
Timber Management Antitrust Controls #08099-119-SF	8/28/91	0	0	The audit has eight recommendations of which one is complete. The remaining findings are that FS complete development of a computerized bid-monitoring system; test the system to ensure it can be successfully implemented at the regional/forest level; provide a schedule and procedures for system implementation, require bid-monitoring units to update plans and submit annual reports. Completion of the computerized bid-monitoring system is delaying final action.
Stumpage Rate Adjustments on Timber Sales #08099-122-SF	9/30/91	0	0	The audit has five recommendations of which one is complete. The remaining findings are that FS complete an analysis of stumpage rate adjustments; clarify the policy and procedures regarding the treatment of monthly billing adjustments on deposits made on released units for tree measurement sales; ensure that

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Incurring Costs Audit, Tuolumne Regional Water District #08545-48-SF*	11/27/90	45,110 (26,314)	0	timber sale contract provisions comply with the national requirements; limit the use of the White Woods index to sales where a significant portion of the timber value is young growth timber; and establish specific standards for the types of sales on which the White Woods index would be utilized. A law suit before the U.S. Claims Court is delaying final action.
Analysis of Brush Disposal Fund Balance and Expenditures #08600-6-AT*	9/25/90	0	3,880,615 ( 0 )	FS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Ashe Nursery, Brooklyn, Mississippi #08600-12-AT	9/5/91	0	0	The audit has four recommendations of which three are complete. The remaining finding is that FS develop written procedures to charge occupational workers' and unemployment compensation to program funds at appropriate levels to avoid adverse impacts on funds available for brush disposal and other operations. Development of the written procedures is delaying final action.
FS Subtotal		45,110 (26,314)	27,861,414 ( 0 )	The audit recommended that FS obtain a ration based on appropriate studies and prorate general administration overhead expenses between the nursery's seedling and seed cost centers, adjust the per-thousand-unit sales price in accordance with the corrected seedling cost, establish minimum technical contract specifications for growing seedlings, and establish minimum inspection requirements. Final action is delayed because of a personnel vacancy for over a year.

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<b>SOIL CONSERVATION SERVICE</b>				
Implementation of Food Security Act Conservation Provisions #10099-10-KC*	9/28/90	0	0	This audit has five recommendations of which two are complete. The remaining findings are that SCS require reviews of conservation plans for highly erodible land conservation; revise or amend plans to ensure Food Security Act objectives are accomplished; establish controls to ensure required plans are implemented; and revise the internal control systems. The complexity of the management decision and staff vacancies are delaying final action. The targeted completion date is December 1994.
SCS Subtotal		0	0	
<b>COOPERATIVE STATE RESEARCH SERVICE</b>				
Fort Valley State College, Georgia #50563-192-AT	9/25/91	21,622 ( 0 )	0	The audit has six recommendations of which five are complete. The remaining finding is that CSRS ensure that the auditee returns funds incorrectly charged for retirement contributions. CSRS is pursuing documentation to support the substitution of other non-federal charges for the disallowed costs. If satisfactory documentation is not provided, CSRS will ensure that the auditee refunds the disallowed costs.
CSRS Subtotal		21,622 ( 0 )	0	

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<b>FOOD SAFETY AND INSPECTION SERVICE</b>				
Indirect Cost Proposals for the State of West Virginia Department of Agriculture #24092-23-HY*	05/09/89	2,522,280 (650,518)	0	FSIS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Exporting Procedures #24097-1-AT*	02/05/87	0	0	The audit recommended that FSIS issue regulations to govern its plans to replace all Poultry Acceptable Quality Level Standards with Finished Product standards. FSIS plans to complete replacement of the standards by the end of FY 1993.
Labeling Policies and Approvals #24099-5-AT*	6/26/90	0	0	The audit has 18 recommendations of which 6 are complete. The remaining findings identified deficiencies in the Label Approval Process; inadequate verification and enforcement of health and nutrition related claims; and inconsistencies in classifying, labeling, and inspecting nonamenable products. FSIS is examining options for improving the efficiency and effectiveness of the prior labeling approval process. Final nutrition labeling regulations were published in January 1993 and proposed health claim regulations are under development.
Monitoring of Drug Residues #24600-1-AT	9/30/91	0	0	The audit has 14 recommendations of which 9 are complete. The remaining findings are that FSIS revise its directive to delineate responsibilities and specify decisions requiring documentation; prepare written policies and procedures to address Unidentified Analytical Responses (UAR's) identification, reporting, and followup actions to be taken when UAR's are detected; implement procedures to consider potential contaminations as a factor for including compounds and

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				species in the monitoring program; issue instructions defining a sample lot for Sulfa-On-Site testing and ensure that the procedures provide for equitable treatment, and implement in-plant sulfonamide testing at plants that slaughter cows. FSIS will complete the revised directive by spring 1993 and the UAR directive is in clearance. A worksheet for testing a specific compound for potential contaminations is under review. The FASR-test, which will eliminate the need to send all tissues to the laboratory for sulfa testing, is expected to be implemented in FY 1993. FSIS will complete the phase-in of the revised swine sulfa surveillance program into the FY 1992 National Residue Program in spring 1993.
Monitoring and Controlling Pesticide Residues in Domestic Meat and Poultry Products #24609-1-AT*	11/17/88	0	0	The audit has 14 recommendations of which 9 are complete. The remaining findings are that FSIS contact producers and other Government and State Agencies (SA's) on violations, establish controls to document administrative procedures used to investigate the source and cause of violations, ensure case files are maintained properly, and ensure violations are recorded in the Microbiological and Residue Computer Information System. The National Residue Program directive is scheduled for issuance in July 1993.
FSIS Subtotal		2,522,280 (650,518)		
FOOD AND NUTRITION SERVICE				
Commodity Inventory Accountability #27002-7-NY*	3/3/88	0	0	The audit recommended that FNS implement procedures for the monthly reconciliation of reports on the receipt of shipments by State Distributing Agencies and develop and implement computer programs to perform the reconciliation. Final action is delayed pending the development and implementation of reconciliation reports. Implementation is expected in FY 1994.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Computer Match of Federal Employees #27006-1-TE*	3/19/91	0	0	The audit recommended that FNS review various Federal information sources to verify Federal employee and retiree income; notify SA's of alternate data sources and encourage them to modify their Plans of Operation to incorporate these sources; and coordinate with the Department of Health and Human Services (DHHS) on the data. FNS is reviewing the use of Federal salary and benefit information to determine if it is appropriate as a means to collect Food Stamp Program (FSP) recipient claims. After its review, FNS will make a determination as to whether to seek legislation to implement the audit recommendations.
Implementation of the Income Eligibility Verification System #27013-45-TE*	3/30/90	0	0	The audit recommended that FNS increase efforts to ensure compliance with the Income Eligibility and Verification System (IEVS); determine whether additional measures are needed to ensure that SA's clear IEVS matches within the regulatory timeframes; provide written guidance that either sets uniform IEVS targeting limits or specifies the elements that the SA's must include in their Plans of Operation; ensure that FSP applicants' households are included in the matching process of IEVS and that data sources of IEVS are not limited to the surrounding States unless it is cost effective; and review the SA's Plans of Operation to ensure that targeting procedures are proper. FNS issued a memorandum to clarify applicant matching in Texas and to restate policy on applicant matching. In September 1990, FNS awarded a contract to conduct a multiyear study of targeting strategies under the IEVS regulations. Upon completion of the study, a final Technical Evaluation Report will be provided.

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State Administrative Expense Grants for the Child Nutrition Programs in Texas and New Mexico #27022-1-TE	10/3/91	0	0	The audit recommended that FNS instruct the SA's to take positive action to enforce the requirements for audits of subrecipients. Final action is delayed until USDA issues final regulations to implement OMB Circular A-133.
Mound Bayou School Food Authority, National School Lunch and Breakfast Programs #27023-203-AT*	1/14/92	314,549 (131,549)	0	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Whispering Wonders Pre-School #27029-175-HY*	3/30/89	3,868 (108)	0	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Hempstead After School #27029-300-HY*	3/28/89	6,808 (3,804)	0	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Putnam Child Development Center #27029-305-HY*	3/28/90	29,734 (10,504)	0	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Chama Child Development Center #27029-376-HY*	4/30/91	9,796 (0)	0	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

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Boys Harbor, Inc. #27029-961-NY*	10/1/87	183,174 ( 0 )	0	The audit has six recommendations of which five are complete. The remaining finding is that FNS collect funds paid in excess of program regulations. OGC informed FNS that it would be difficult to recover the overpayments attributed to self-prep sites due to unclear regulations. FNS agreed to revise its regulations to clarify the acceptable method for obtaining reimbursement for meals served by a sponsor. In an effort to clarify this regulatory provision's applicability to sponsors, FNS developed regulations to remove the limitations on sponsoring organization disbursements to individual centers; these were rejected by OMB. Final action is delayed pending a determination of the appropriateness of FNS' actions to address the remaining audit findings.
Boys Harbor, Inc. #27029-1055-NY*	12/12/88	63,170 ( 0 )	0	The audit has 22 recommendations of which 21 are complete. The remaining finding is that FNS collect funds paid in excess of program regulations. OGC informed FNS that it would be difficult to recover the overpayments attributed to self-prep sites due to unclear regulations. FNS agreed to revise its regulations to clarify the acceptable method for obtaining reimbursement for meals served by a sponsor. In an effort to clarify this regulatory provision's applicability to sponsors, FNS developed regulations to remove the limitations on sponsoring organization disbursements to individual centers; these were rejected by OMB. Final action is delayed pending a determination of the appropriateness of FNS' actions to address the remaining audit findings.

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Special Supplemental Food Program for Women, Infants, and Children, Administrative Costs - Alabama #27031-22-AT*	1/24/90	2,831,384 (303,781)	1,132,553 (1,132,553)	FNS completed all administrative and corrective actions on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Debt Management Initiatives #27070-1-AT*	2/5/91	0	0	The audit has 15 recommendations of which 6 are complete. The remaining findings are that FNS require SA's to report the collection status of FSP claims; develop procedures to classify quality control sanctions under appeal; require SA's to use private collection agencies and to develop procedures for routine referral of claims; finalize and issue proposed policy requiring the referral of unresolved FNS administered debts to collection agencies; develop a system to share delinquent FSP household claim information, pursue legislative authority to require taxpayer identification numbers (TIN's); request debtors and participants to provide TIN's; revise regulations to allow for charging interest, penalties, and administrative costs on claims against delinquent nonparticipating households; provide guidance to SA's for assessing the collectibility of aged accounts and require that uncollectible accounts be written off; and require SA's to report terminated FSP claims to IRS, and report to IRS closed-out and compromised claims administered directly by FNS. FNS is completing the guidance to SA's on the use of private collection agencies and anticipates completion in FY 1993. FNS received input from SA's regarding the sharing of claims information between States and will use this information in conjunction with the experience gained from the Tax Intercept Project to simplify interstate claims collections. FNS anticipates approval of State

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Nutrition Assistance Program Block Grant, San Juan, Puerto Rico #27080-3-NY*	7/31/87	298,370 (160,000)	0	computer matching agreements to permit the interstate exchange of information on FSP households with delinquent claims. FNS received legal guidance regarding the application of Federal claims collection standards to State governments. FNS' assessment of the legal opinion is delaying final action.
Hurricane Hugo Activities in South Carolina #27097-4-AT*	12/26/90	0	0	The audit has five recommendations of which four are complete. The remaining finding is that FNS require the SA to coordinate with other Federal Agencies to obtain a proper allocation of administrative funds for integrated services and require the SA to submit revised financial reports. DHHS is responsible for the allocation of costs for the SA administering the Puerto Rico Nutrition Assistance Program. DHHS is notifying the SA of the necessary revisions and clarifications to its Cost Allocation Plan (CAP). The approval of the CAP by DHHS is delaying final action.
Contracting of Food Service Management Companies in the National School Lunch Program #27099-25-SF*	6/20/89	0	0	The audit has four recommendations of which three are complete. The remaining finding is that FNS publish regulations on disaster procedures. FNS is reviewing experiences from disaster situations and is drafting regulations. Final action is delayed pending promulgation of the proposed disaster rule.
				The audit has eight recommendations of which three are complete. The remaining findings are that FNS establish contracting guidelines for Food Service Management Companies (FSMC's); direct the SA to eliminate unnecessary hiring and other restrictions; enforce the requirement that fixed price contracts be awarded through competitive bids for the School Food Authorities (SFA's); request a waiver from OMB to allow fixed price contracts with FSMC's; and require the SFA's using cost reimbursable contracts with FSMC's to install cost controlling provisions on contracts. FNS awarded a contract in September 1990 to study FSMC's in

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				School Nutrition Programs. FNS proposed to reinstate rulemaking once the study results were reported and evaluated. In the interim, FNS developed guidance for FSMC contracts. A change in the management decision to accept the guidance as an alternative to the rulemaking is delaying final action.
Yield Shortages at Better Baked Foods, Inc. #27099-79-CH*	3/15/89	162,989 (146,980)	0	The audit recommended that FNS recover the value of yield shortages. Better Baked Foods, Inc., disputed the claim and agreed to submit documentation which would warrant a reduction in the claim. FNS received an interim payment which Better Baked Foods, Inc., believes to be its liability and submitted additional documentation to support its request for a claim redetermination. The claim was transferred to OGC for further collection activity. Settlement has been reached and FNS anticipates final payment in spring 1993.
Brakebush Brothers, Inc. #27099-82-CH	3/13/91	841,624 (841,624)	0	The audit has four recommendations of which one is complete. The remaining findings pertain to collection of the disallowed costs from the processor. The processor disputed the claim. In September 1992, Brakebush Brothers, Inc., submitted an independent report showing its costs for the production of broth and concentrated chicken fat. FNS and OIG reviewed the processor's manufacturing process and substantiating records and requested additional documentation. Final action is delayed pending review of the documentation.
Incurred Cost Audit - National Analyst #27545-72-HY	7/26/91	0	88 (88)	The audit recommended recovery of direct cost overcharges. An investigation is delaying final action.

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Recouping Claims and Imposing Disqualification Penalties #27600-1-AT*	6/27/91	0	271,088,908 (271,088,908)	The audit recommended that FNS establish timeframes for processing claims and provide for penalties when large backlogs occur; require periodic reports of the status of unworked claims; review of tracking systems and removal of outdated, inaccurate, or uncollectible referrals and unworked claims; increase claims coverage in management evaluation reviews; and emphasize to States their responsibility for collecting claims for overissuances. FNS participated in a workshop to formulate a plan of action to develop strategies for reducing backlogs. The Disqualification Reporting System (DRS) model matching agreement is approved and 14 SA's have entered into agreements to participate in the DRS matching program. Initial implementation is anticipated in spring 1993.
Special Supplemental Food Program for Women, Infants, and Children, Administrative Costs, Nationwide #27600-2-AT*	2/27/91	0	0	The audit recommended that FNS perform comprehensive internal reviews and ensure that corrective actions are taken on deficiencies; request that non-Federal audits emphasize administrative cost issues; and require the SA's to include an in-depth description of their monitoring of local agency costs and review the plans for compliance with Federal requirements. FNS is revising the Expenditure Validation Review (EVR) Guide. FNS' actions to develop cost allocation guidance disclosed that the problem is more complex than had previously been realized. Allocating costs to the Supplemental Food Program for Women, Infants and Children (WIC) could not be separated from allocating them to health programs administered by DHHS. Completion and distribution of the draft cost allocation guidance is anticipated in FY 1993 and will be piloted, revised, and implemented nationally by FY 1994.

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Food Stamp Program, Administrative Costs, Nationwide #27600-2-SF*	3/30/90	0	0	The audit has 10 recommendations of which 5 are complete. The remaining findings are that FNS establish a schedule for conducting EVR's; work with DHHS to provide direction to States on the proper allocation of costs, and instruct States that a waiver from OMB is required for any allocation method which does not comply with OMB Circular A-87; review the eligibility of the costs allocated between the 75-percent enhanced funding elements of the FSP and the elements eligible for the 50-percent reimbursement; and review the eligibility of the costs allocated. FNS was unable to obtain necessary funding to support this effort. A change in the management decision is delaying final action.
Special Supplemental Food Program for Women, Infants, and Children, Administrative Costs - California #27600-4-SF*	1/3/91	482,419 (442,138)	141,766 (141,766)	FNS completed all administrative or corrective action on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Special Supplemental Food Program for Women, Infants, and Children, Vendor Monitoring and Food Instrument Delivery Systems #27661-2-CH*	6/15/88	0	0	The audit has 38 recommendations of which 10 are complete. The remaining findings are that FNS provide for a sufficient administrative budget; analyze the results of management evaluations; require the SA's to report annually on their reviews of local agencies; develop methods to prevent vendors from overcharging; establish high-risk vendor investigative requirements; develop and require sanctions on vendors violating program requirements; require SA's to disqualify vendors disqualified from the FSP and issue regulations; codify a standardized appeal process; implement the Department-wide nonprocurement debarment

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				and suspension regulations and require SA's to identify redeemed food instruments not validly issued; obtain legislative authority to require social security numbers and require SA's to use minimum matching criteria; and generate listings of potential dual participation and submit reports to FNS on the efforts to detect and prevent dual participation. Significant public and political reaction to FNS' proposed rulemaking delayed the publication of a final rule and may impede planned corrective action. A new proposed rule to reflect comments received during the first public comment period is under development. Additionally, USDA will soon release the Vendor Issues Study report and will consider the report's findings in preparing the new proposed rules.
State of Louisiana #50568-172-TE	7/1/91	0	0	The audit has two recommendations of which one is complete. The remaining finding pertains to the edit list for detecting dual participation. The SA is developing an automated system which will check dual participation between the WIC and Commodity Supplemental Food Programs. Development of the system is delaying final action.
State of Chuuk, Pohnpei #50568-424-SF*	5/13/91	94,909 (94,909)	0	The audit recommended that FNS collect the disallowed costs identified in the audit. FNS is researching the possibility of collecting the costs from the Federated States of Micronesia. Final action is delayed pending completion of the research.
FNS Subtotal		5,322,794 (2,135,397)	272,363,315 (272,363,315)	

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<b>RURAL DEVELOPMENT ADMINISTRATION</b>				
Loan Servicing Vail Holdings Group, Inc. #04099-87-SF	2/10/92	4,331,222 (4,290,206)	0	The audit has 12 recommendations of which 4 are complete. The remaining findings are that FmHA notify the lender that negligent servicing makes the loan guarantee unenforceable; require the lender to ensure that the escrow account is properly funded, to provide documents verifying the status of property taxes, to pay the delinquent taxes and accrued interest, to require the borrower to fund the escrow account for any property taxes on the collateral; to direct the borrower to resolve the liens and judgments to either comply with the Loan Agreement or obtain approval for any revised payment schedule, and to submit audited financial statements. The balance on the lender's account and results from an audit of the lender's records are delaying final action.
Loan Servicing M-K Corporation #04099-90-SF	2/4/92	4,312,038 (4,312,038)	0	The audit has seven recommendations of which five are complete. The remaining findings are that FmHA notify the lender that negligent servicing makes the guaranteed loan unenforceable, and verify whether the lender or the borrower is making payments on the guaranteed loan. Completion of foreclosure proceedings is delaying final action.
RDA Subtotal		8,643,260 (8,602,244)	0	
<b>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>				
Mexico/United States Screwworm Eradication Program #33001-3-HY	8/21/91	117,359 ( 0 )	0	The audit has 30 recommendations of which 24 are complete. The remaining findings are that APHIS determine the amount of added value tax paid during 1985 through 1989 and request reimbursement of prior years' added value tax payment, return any added value tax reimbursement to respective government treasuries,

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Pest Exclusion Activities #33004-1-HY*	6/29/90	0	0	<p>develop and implement a procedure to ensure timely requests and followup for cancellation of unnecessary insurance premiums, determine the historical cost of donated and purchased assets and adjust the financial statements accordingly, conduct a physical inventory of all assets/inventory and reconcile the amounts with the balance sheet. Due to budget impacts of a screwworm outbreak in Mexico, the Screwworm Program's resources are limited. No funds are available to determine historical costs of donated assets and incorporate adjustments into financial statements. A physical inventory of Screwworm Commission property is proceeding, and differences will be reconciled. APHIS requested reimbursement of prior year's added value tax payments from the Commission's Mexican Director. The Screwworm Commission requested repayment from the Mexican government which was denied. A procedure is implemented to ensure timely requests and followup for cancellation of unnecessary insurance premiums. APHIS will periodically review this system.</p> <p>The audit has 10 recommendations of which 8 are complete. The remaining findings are that APHIS ensure that Agency officials comply with the User Fee Statute and, in consultation with OMB and the Treasury Department, either identify any requirements for repayment of the funds already used or request OMB and Treasury to consider waiving the repayment requirement, and reevaluate and revise, where necessary, APHIS' directive to prevent abuse of the overtime system. The 1990 Farm Bill authorized APHIS to collect user fees for preclearance activities. APHIS uses this authority along with existing applicable accounting procedures to maintain accounts for each cooperator and to record costs and deposit revenues. OMB and Treasury informed</p>

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Pricing Proposal - Del Rio Flying Service, Inc. #33545-8-TE	10/16/91	6,254 ( 0 )	200,000 ( 0 )	APHIS that waiver regulations for repayment of funds previously collected do not exist. APHIS is reviewing its overtime system and directives. Regulations will be revised by FY 1995 as deemed necessary.
APHIS Subtotal		123,613 ( 0 )	200,000 ( 0 )	The audit has three recommendations of which two are complete. The remaining finding is that APHIS use the audit's results to adjust the price of the FY 1991 contract to recover identified amounts. Based on a legal opinion, no price adjustment to the contract is necessary and APHIS is taking action to finalize this audit.
OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT				
International Training Division #44010-3-HY*	09/29/89	0	0	The audit has 10 recommendations of which 9 are complete. The remaining finding is that OICD reconcile expired orders, cancel unliquidated balances, and adjust prior billings. OICD continues to work closely with the AID and other organizations on the billing and collection problems. OICD has scheduled completion in FY 1993.
Financial Management System #44060-1-HY*	07/13/90	0	0	The audit has 17 recommendations of which 13 are complete. The remaining findings are that OICD develop and issue procedures for the billings and collecting operations that comply with the General Accounting Office (GAO) standards; collect unpaid prior year's debt; and forward outstanding receivables to GAO that AID declines to pay. Although procedures are in place and are currently being followed, limited resources are delaying completion of written procedures for the

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OICD Subtotal		0	0	billing and collection operations. OICD continues to work closely with AID and other organizations on the billing and collection problems. Completion is scheduled in FY 1993.
OFFICE OF INFORMATION RESOURCES MANAGEMENT				
Management and Security Over Local Area Network #58099-21-FM	9/23/91	0	0	The audit has 29 recommendations of which 16 are complete. The remaining findings are that OIRM conduct a formal risk analysis (RA) for the Local Area Network (LAN), develop a contingency plan based on the risks identified, and ensure that the LAN Management Center has a complete and accurate LAN map. OIRM contracted with a firm to perform the RA. Once the contractor completes the RA, OIRM will contract to complete the contingency plan. Work is in progress to have a complete and accurate LAN map in the LAN Management Center. OIRM anticipates completion in FY 1994.
Automated Data Processing Maintenance Agreements, #50555-1-HY*	3/23/87	0	0	The audit has 10 recommendations of which 8 are complete. The remaining findings are that OIRM require USDA agencies to use OFM's National Finance Center inventory system to track Automated Data Processing (ADP) equipment and prohibit duplicate property listings. Since GSA issued its final reporting procedures for the revised ADP Equipment Data System, OIRM is working with OO to transfer functional responsibility to OO's operational ADP inventory system. OIRM anticipates completing the transition in FY 1993.
OIRM Subtotal		0	0	
TOTAL		100,593,657 (64,577,293)	1,061,980,372 (809,704,177)	

\*. The audits indicated with an asterisk (\*) were in the report for the period April 1 - September 30, 1992.





